



Tennessee Department of Revenue
Back-to-School Supplies, Clothing, and Computers
Tax-Exempt During Tennessee's
First Sales Tax Holiday

In August of this year, Tennessee will hold its first annual sales tax holiday, giving shoppers the opportunity to purchase certain school supplies, computers and clothing tax-free for a specific period of time, beginning at 12:01 a.m. on Friday, Aug. 4 and ending at 11:59 p.m. on Sunday, Aug. 6.

As you plan for the 2006-2007 school year, you may want to let your students and parents know in advance what items they will need for school next fall. Items exempt from tax during the three-day holiday include the following:

<u>School Supplies</u> (\$100 or less per item)		<u>Clothing</u> (\$100 or less per item)	<u>Computers</u> (\$1,500 or less)
Binders Backpacks Bookbags Blackboard Chalk Calculators Cellophane Tape Compasses Composition Books Crayons Erasers Folders Glue, Paste, and Glue Sticks Highlighters Index Cards	Index Card Boxes Legal Pads Lunch Boxes Markers Notebooks Paper Pencil & School Supply Boxes Pencils Pencil Sharpeners Pens Protractors Rulers Scissors Writing Tablets	Boots Coats/Jackets Dresses Ear Muffs Gloves/Mittens Gym Suits/Uniforms Hats Jeans/Pants Neckties Nightgowns Pajamas Ponchos Raincoats Robes School Uniforms Shawls Shirts Shoes/Socks Undergarments	Computer CPU Monitor Keyboard Mouse Connecting Cables Notebook computers Laptop computers Preloaded software

School supplies are defined as items used by a student in a course of study. Specifically excluded are items such as art supplies and instructional material, including reference books and school computer supplies (compact discs, printers, and printer ink).

Exempt **clothing** is defined as human wearing apparel for general use. It excludes accessories such as jewelry or bags, protective equipment, and sports and recreational equipment such as baseball gloves.

Computers with preloaded software and components purchased with the computer are also exempt. Computers and their components must be purchased as a system. Individual computer parts and accessories, and software that is not preloaded on the computer, do not qualify for the exemption. PDAs and MP3 players also do not qualify for exemption.

Additionally, exemptions do not apply to items used in a **trade or business**, or to **items that are rented**.

Layaway sales qualify for the exemption if final payment is made and the property is given to the purchaser during the holiday **or** if the layaway order is made during the holiday even if delivery is made after the holiday ends.

More information from the Department of Revenue is available from the following sources:

- Web site: www.Tennessee.gov/revenue
- E-mail: salestax.holiday@state.tn.us
- Telephone: **(800) 342-1003** 8 a.m. - 5 p.m., CST, Monday through Friday
Special telephone hours for Sales Tax Holiday:
Saturday, Aug. 5: 7 a.m. to 7 p.m., CST
Sunday, Aug. 6: 10 a.m. to 6 p.m., CST